

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

YUETING JIA,¹

Debtor.

Chapter 11

Case No. 19-12220-KBO

Re: DI Nos. 94 and 109

**O-FILM GLOBAL (HK) TRADING LIMITED AND NANCHANG O-FILM
PHOTOELECTRIC TECHNOLOGY CO., LTD.'S PRELIMINARY OBJECTION
TO THE DEBTOR'S MOTION FOR AN ORDER (I) APPROVING
DISCLOSURE STATEMENT, (II) APPROVING VOTING AND
TABULATION PROCEDURES, (III) SETTING CONFIRMATION HEARING
AND RELATED DEADLINES AND (IV) GRANTING RELATED RELIEF**

O-Film Global (HK) Trading Limited and Nanchang O-Film Photoelectric Technology Co., Ltd. (collectively, "O-Film") respectfully submits this preliminary objection to the *Debtor's Motion for an Order (I) Approving Disclosure Statement, (II) Approving Voting and Tabulation Procedures, (III) Setting Confirmation hearing and Related Deadlines and (IV) Granting Related Relief* [D.I. 109] (the "Motion").

Background

1. O-Film, founded in 2001, designs and manufactures electronic components for the consumer electronics and automotive markets which include touch panels, cover glass, camera modules, biometric sensors, haptic response technology and LCD modules.

¹ The last four digits of the Debtor's federal tax identification number are 8972. The Debtor's mailing address is 91 Marguerite Drive, Rancho Palos Verdes, CA 90275

2. On January 16, 2018, O-Film filed a complaint against the Debtor in the California Superior Court County of Los Angeles alleging breach of contract, fraud, common count in quantum meruit, and unfair competition, seeking compensatory damages in the amount of \$24,095,428 related to unpaid electronic components provided to the Debtor.

3. On October 14, 2019, Yueting Jia (the “Debtor”) filed his chapter 11 petition.

4. The Debtor has identified O-Film on Schedule F of its Schedules of Assets and Liabilities as having a contingent and unliquidated claim in the amount of \$24,095,428 (the “Claim Amount”).

5. On November 13, 2019, Shanghai Lan Cai Asset Management Co, LTD. filed its Motion (I) to Dismiss the Debtor's Chapter 11 Case or, Alternatively, (II) to Transfer Venue to the Central District of California [D.I. 89] (the “Motion to Dismiss”).

6. On December 5, 2019, the Official Committee of Unsecured Creditors filed its response to the Motion to Dismiss [D.I. 111] (the “Committee’s Response”).

7. On December 11, 2019, the Office of the United States Trustee filed its response to the Motion to Dismiss [D.I. 130] (the “UST Response”).

8. The Motion to Dismiss is scheduled to be heard on December 18, 2019, the same date as the Motion.

Preliminary Objection

9. O-Film files this preliminary objection to object to the Motion on the basis that it is premature to compel creditors to comment on the disclosure statement in light of the pending Motion to Dismiss.

10. The Motion to Dismiss raises concerns as to whether this Debtor should remain in chapter 11, or should remain as a case pending in this venue.

11. In the Committee's Response, the Committee details the inadequacy of information provided by the Debtor in response to the Committee's requests for information necessary to assess the adequacy of the disclosure statement. *See* Committee Response at ¶¶ 7 through 12. O-Film agrees with the Committee's statement in the Committee's Response, namely, the "adequacy of Jia's Disclosure Statement cannot be considered and solicitation of votes on the Plan cannot commence until the Committee is given a reasonable opportunity and resources to complete its investigation into Faraday and what, if any, other assets, including chapter 5 claims, are available to the estate." *Id.* at ¶ 12. To be sure, it is fundamentally unfair for O-Film and other creditors to be bound by the Plan and its "non-consensual third-party releases without Jia and his wife fully disclosing what claims are being released and what consideration is being provide for the release." *Id.*

12. The UST Response provides the UST's basis for its position that venue is to be transferred to the Central District of California.

13. Creditors should not be forced to comment on the disclosure statement before the issues raised in the Motion to Dismiss, and in the related Committee Response and the UST Response, have been addressed by this Court.

14. O-Film reserves its right to further supplement this preliminary objection.

WHEREFORE, O-Film respectfully requests that the Court adjourn the hearing on the Motion until after such time as the Motion to Dismiss and all responses thereto, including the Committee Response and the UST Response, have been presented to the Court and a final determination on the Motion to Dismiss has been rendered, and grant such further relief as is just and proper.

Dated: December 13, 2019
Wilmington, Delaware

BAYARD, P.A.

/s/ GianClaudio Finizio

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